



0000162286

GREATER PHOENIX  
CHAMBER OF COMMERCE

EST. 1888

RECEIVED

2015 JUN 11 P 4: 37

June 11, 2015

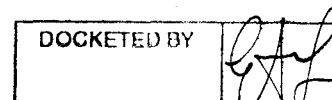
AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
Securities Division  
1300 West Washington Street, Third Floor  
Phoenix, AZ 85007

Arizona Corporation Commission  
DOCKETED

Re: Docket Control Number: S-00000E-15-0129

JUN 11 2015



Dear Commissioners:

**ORIGINAL**

On behalf of our 2,500 business members, the Greater Phoenix Chamber of Commerce asks you to support the proposed docket that would bring Arizona's financial regulations in line with other states that have implemented the private fund advisor licensing exemption.

Arizona needs private equity and venture capital funding to provide a crucial source of financing for business growth. In order to facilitate this type of funding, the legal framework in Arizona should be consistent with other states we compete with for funds and businesses. Currently, our laws and regulations are out of date.

All private equity and venture capital funds are managed by individuals who could be considered "investment advisers" under both federal and state law. If a private equity or venture capital manager learns Arizona has not modernized and aligned its regulatory system with that of other states, they may decide not to locate here or to limit their investments in this state. We believe it is important to update our legal framework to remove any disincentive to the formation and operation of these funds within Arizona.

In 2011, the North American Securities Administrators Association (NASAA) adopted a model state-level registration exemption for investment advisers in response to changes in federal law and regulations. The adoption of this model rule in Arizona would help establish a regulatory structure that efficiently enables fund managers to comply with both federal and state level exemptions from registration, and provided a basis for generally consistent standards among the various states. Most other states responded by updating their regulatory framework to incorporate all or some form of the NASAA model rule.

In Arizona, no exemption from registration currently exists for someone who wants to form or manage a private equity or venture capital fund within the state and supply capital to local businesses. Arizona is currently at a competitive disadvantage with other states who have enacted the "private adviser exemption." If Arizona enacts the private adviser exemption, the state could attract private equity or venture capital managers who have chosen not to locate or

invest here, due to the current disincentive that is in place. This could significantly increase the amount of venture capital dollars available to grow Arizona businesses.

Sincerely,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

Mike Huckins  
Vice President of Public Affairs